REMARKS/ARGUMENTS

This Amendment is responsive to the Office Action mailed on January 25, 2007.

In the Office Action, claims 1-61 are rejected as being anticipated under 35 U.S.C. § 102(e) in view of Duncan (U.S. Patent No. 6,934,692). This rejection is traversed.

I.   **Independent claims 1, 12, 21, 26, 33, and 39**

Duncan does not anticipate the claims, since each and every element of the claims is not taught by Duncan. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). MPEP 2131. Here, Duncan does not teach or suggest a system including, *inter alia*, "a transaction processing module ... configured to store a plurality of terms and conditions relating to the buyer, the seller, an issuer and an acquirer" as recited in independent claim 1. Independent claims 12, 21, 26, 33, and 39 recite a similar feature (and additional limitations such as the terms being "pre-negotiated" as in independent claim 12). To address this limitation, the Examiner cites Figure 3, item 301, and Figure 11, items 1107, 1009, 1123, and 1128 (see pages 2-3 of the Office Action). Figures 3 and 11 are below, and neither Figure mentions or suggest "a transaction processing module ... configured to store a plurality of terms and conditions relating to the buyer, the seller, an issuer and an acquirer."
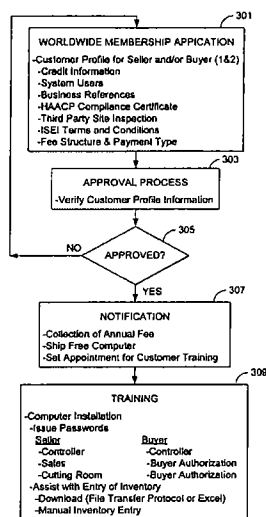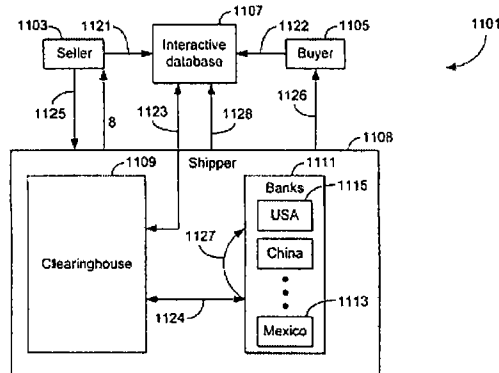
FIGURE 3

FIGURE 11

While FIG. 11 in Duncan shows a seller 1103 and a buyer 1105 interacting via an inactive database 1107, and banks 1111, any "terms and conditions" that are stored in the interactive database 1107 in Duncan only relate to the seller 1103 and the buyer 1105, and not to the banks 1111. For example, as shown in Figure 5 of Duncan, a clearinghouse simply notifies a buyer's bank to respond. Terms and conditions relating to the buyer bank are not stored. Furthermore, an "acquirer", or a bank associated with a seller, is not even mention in Duncan, and Duncan certainly does not teach or suggest a transaction processing system configured to store "terms and conditions" that relate to an "acquirer."

II.   Independent claim 43

Duncan does not teach or suggest many steps in independent claim 43. For example, the Examiner alleges that Figure 11, step 1126 teaches "transmitting a payment instruction from the transaction processing system to the buyer." However, step 1126 relates to the buyer accepting a product (see page 13, line 22 of Duncan), not "transmitting a payment instruction from the transaction processing system to the buyer." In another example, the Examiner alleges that "receiving approval from the buyer in response to the sent payment
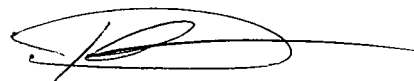
instruction at the transaction processing system" is taught at step 1122 in Figure 11 of Duncan. Step 1122 is the submission of a purchase request by a buyer, not an approval in response to a payment instruction. See column 13, lines 1-4 of Duncan. These are just two examples, and the other steps in claim 43 are similarly unsupported by Duncan. With so many limitations not present in Duncan, claim 43 cannot reasonably "anticipate" independent claim 43.

III.   Independent claim 53

Duncan also does not teach or suggest a system comprising, *inter alia*, a transaction processing system which "comprises an issuer pricing engine, wherein the issuer pricing engine is configured to determine a transaction fee associated with an invoice associated with the transaction, the issuer retaining at least a portion of the transaction fee" as recited in independent claim 53. Although Duncan does mention "fees," Duncan does not teach or suggest that an issuer (e.g., a bank associated with a buyer) is supposed to receive a fee for a transaction between a buyer and a seller. Rather, to the extent that a buyer bank is even mentioned in Duncan, the buyer bank is simply instructed to pay on the behalf of a buyer and the buyer makes a payment on behalf of the buyer. See, e.g., Figure 5 of Duncan.

It is believed that all claims are in condition for allowance. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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